

**STATEMENT OF PROCEEDINGS FOR THE  
SPECIAL MEETING OF THE  
CITY OF HUNTINGTON PARK OVERSIGHT  
MEMBER**

**CITY OF HUNTINGTON PARK  
CITY COUNCIL CHAMBERS  
6550 MILES AVENUE  
HUNTINGTON PARK, CALIFORNIA, 90255**

**Wednesday, April 25, 2012**

**6:00 PM**

Present: Elba Guerrero, Michelle Cervera, Eduardo Adame, Luis Buendia  
and Albert Fontanez

Absent: Richard Rodriguez and Richard Verches

**I. CALL TO ORDER**

**II. ADMINISTRATIVE MATTERS**

**Rhonda Rangel, Oversight Member Staff called the meeting to order at 6:10 p.m.**

1. Self introductions of newly appointed Oversight Member s and staff. (12-1793)

**Self-introductions were made.**

2. Election of Chair and Vice-Chair for the Oversight Member. (12-1794)

**Rhonda Rangel, Oversight Member Staff, called for nominations from the Member s for Chair.**

**Member Fontanez nominated Member Guerrero to serve as Chair.**

**On motion of Member Fontanez, second Member Cervera, Member Guerrero was appointed Chair of the Huntington Park Oversight Member.**

**Rhonda Rangel, Oversight Member Staff, called for nominations from the Member s for Vice Chair.**

**Chair Guerrero nominated Member Cervera to serve as Vice Chair.**

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**On motion of Chair Guerrero, and second by Member Fontanez, Member Cervera was appointed Vice Chair of the Huntington Park Oversight Member.**

**Ayes:** 5 - Member Guerrero, Member Cervera, Member Adame, Member Buendia and Member Fontanez

**Absent:** 2 - Member Rodriguez and Member Verches

3. Request the Chair to give a brief overview of duties and procedures of the Huntington Park Oversight Member. (12-1795)

**Vice Chair Cerverra provided a brief overview of the role of the Oversight's commision: (1) Evaluate the actions and determinations of the Sucessor Agency to determine what the enforceable obligations are and to ensure that whatever those enforceable obligations are, be substantiated by documents to ensure it is an enforceable obligation and continued to be handle in that respect; and (2) according to ABX1 26, the Oversight Member is to oversee the dissolution of the City of Huntington Park Redevelopment Agency.**

4. Designation of a contact person who shall serve as the point of contact for the State Department of Finance inquires. (12-1796)

**On motion of Vice Chair Cerverra, seconded by Member Adame, Elba Padilla, Director of Finance, City of Huntington Park was designated contact person to the State of Department of Finance.**

**Ayes:** 5 - Member Guerrero, Member Cervera, Member Adame, Member Buendia and Member Fontanez

**Absent:** 2 - Member Rodriguez and Member Verches

5. Approval of Oversight Member Rules and Procedures (12-1797)

**Oversight Member staff distributed the Procedural Rules for Oversight Members based on Robert's Rules of Order (Abridged) and in compliance with the Brown Act and ABX1 26.**

**On motion of Vice Chair Cervera, seconded by Member Fontanez, adopted the Robert's Rules of Order as the governance for the City of Huntington Park Oversight Member.**

**Ayes:** 4 - Member Guerrero, Member Cervera, Member Adame and Member Fontanez

**Noes:** 1 - Member Buendia

**Absent:** 2 - Member Rodriguez and Member Verches

**On motion by Vice Chair Cervera, and by Common Consent (Member s Rodriguez and Verches being absent), there being no objection, this item was reconsidered.**

**Michael Estrada, Council for the Successor Agency, addressed the Oversight Member and clarify that the document 'Procedural Rules for the Oversight Members Based on Robert's Rules of Order (Abridge) and In Compliance with the Brown Act and ABX1 26' is procedural rules and are generic and will serve the Oversight Member in the Member's best interest.**

**On motion by Vice Chair Cervera, seconded by Member Adame, amend the original motion to adopt the Procedural Rules for the Oversight Members Based on Robert's Rules of Order (Abridged) and in Compliance with the Brown Act.**

**Ayes:** 5 - Member Guerrero, Member Cervera, Member Adame, Member Buendia and Member Fontanez

**Absent:** 2 - Member Rodriguez and Member Verches

- 6. Establishment of dates, times and location of the regular meetings of the Oversight Member. (12-1799)**

**The s agreed to schedule the next meeting and discuss establishing future meetings at that time.**

**On motion of Chair Guerrero, and by Common Consent (Member s Rodriguez and Verches being absent), there being no objection, the next meeting was scheduled for 6:00 p.m., Thursday, May 3, 2012 at the City of Huntington Park Council Chambers; this item will be placed on the next agenda to establish a regular meeting for the Oversight Member.**

### **III. DISCUSSION ITEMS**

- 7. Review Recognized Obligation Payment Schedules (ROPS) for the period of February 1, 2012 - June 30, 2012. (12-1800)**

**Elba Padilla, Director of Finance, City of Huntington Park, provided the s with a Summary and the Recognized Obligation Payment Schedules (ROPS) for the period of February 1, 2012 - June 30, 2012 for review and commences her presentation of each item of the ROPS. During the review of the Summary and the ROPS, Member s**

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**requested further documentation on the following items listed on the ROPS:**

**Item Nos. 1 through 4 are obligations and outstanding which Bonds were issued to finance various redevelopment projects.**

**Item Nos. 5 through 8 are City loans created between the City of Huntington Park and the Community Development for various redevelopment projects and operations. Vice Chair Cervera requested documentation on these items.**

**Item No. 9, Arbitrage Liability (2004 Series A Bonds), is an arbitrage liability which has to do with a 1994 Bond which was refinance. Member Buendia questioned if it is a negative arbitrage. Ms. Padilla confirmed that it is.**

**Item No. 10 through 13 are City Agreements with the City and Community Development Commission to provide personnel, office space, supplies and equipment to effectively operate the Merged Redevelopment Project, Santa Fe Redevelopment Project, Neighborhood Project and Low and Moderate Income Housing Funds. Ms. Padilla stated that a copy of these agreements will be provided to the Member s in the next meeting.**

**Item No. 14 Pass Through Agreement which are deferred with the Los Angeles County. Member Buendia questioned if this item is under obligation. Ms. Padilla confirmed that it is.**

**Item No. 15, Malabar Project Affordable Housing Agreement under the ROPS represent cost to pay for permanent relocation benefits required under the Federal and State Relocation requirements. Fernanda Palacios, Project Manager, City of Huntington Park, addressed the Oversight Member to clarify Item No. 15. The project is completed and it is only paying the relocation payments to the tenants, which has an outstanding obligation of \$50,000. Member Buendia question if the project is Low and Moderate Assistant Housing. Ms. Palacios confirmed that it is.**

**Item No. 16, Middleton Project Amended Affordable Housing Agreement, which is also funded by Low and Moderate Housing.**

**Vice Chair Cervera requests copies of the approving documents and the conforming agreements to ensure the dates are certain regarding to the**

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two cut off lines for Item Nos. 15 and 16.

Item Nos. 17 and 18, is a parcel bought from Bond proceeds to develop the parcel into dwelling units but since August 2011 when the Redevelopment Dissolution Agency was informed of being dissolved and cannot entered into new agreements because of the situation. Vice Chair Cervera posed the question when the parcel was purchased. Ms. Palacios informed Vice Chair Cervera that the parcel was purchased on April 2010. Vice Chair requested to see documentation of this item.

Item No. 19, Employee costs, are salaries and wages of employees working with projects related to Community Development Commission. Charges only allowed up to January before dissolving of the Redevelopment Agency.

Item No. 20, Richards Watson & Gershon Agreement, provides legal counsel services to the Successor Agency. Vice Chair Cervera requests information on what type of legal services being provided, is it certain to particular project, and why was the contract entered and all documentation pertaining to the legal services.

Item No. 21, Keyser Martson & Gershon Agreement, provide analyses for financial disability analyses for the Redevelopment Projects. Vice Chair Cervera requests documentation to get a clear understanding of what projects they are evaluating and to confirm that these projects were approved before the June deadline.

Item No. 22, Brabrant Realty Agreement, to manage the Southland Steel property. Currently, there are two tenants leasing portions of the property, Alexander BMW and Silver and Friend Company. Brabant ensures that the property is properly managed and that any issues and complaints are addressed and handled by the management company.

Jack Wong, Interim Community Development Director, City of Huntington Park, addressed the Oversight Member to clarify that the site is managed by the Brabant at a small cost out of the lease payment. Member Buendia questioned if these costs considered an administrative cost. Ms. Padilla said it is not considered an administrative cost. Member Buendia requests copies of the contracts.

Mr. Wong requested to follow up on Member Buendia's question and emphasized that this is the Successor Agency's first take on

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identifying the projects and the understanding is that this will be reviewed again by the Oversight Member in the process of winding down pending projects. At that time, the Successor Agency will be able to answer the concerns of the Oversight Member.

Item No. 23, California Department of Toxic Substance CLLRA Agreement, Community Development Commission entered into a California Land Reuse and Revitalization Act to facilitate the environmental assessment, clean-up and re-use of the Southland Steel Site. Vice Chair Cervera requests a copy of the contract that has been approved by the Successor Agency.

Item No. 24, Eco & Associates Agreement, to serve as its peer-review consultant and assist the Community Development Commission in preparing all the plans required by Department of Toxic Substance Control. The Successor Agency will provide a copy of the agreement to the Oversight Member.

Item No. 25, Karen Warner and Associates Agreement, to develop an affordable housing strategy report. The report was completed in December 2011. No additional payments are required. Vice Chair Cervera questioned if this item should be removed since the Oversight Member does not need to consider it. Ms. Palacios confirmed that yes, it will be removed.

Item Nos. 26, agreement with HDL, they provide property tax services and this item can be part of the Administrative Cost. Member Buendia questioned on the issue about the administrative cost is that subject to the Cap of 5% of the property taxes for 2011 and wanted to know what is included or not to ensure it is based within the cap. Ms. Padilla further indicated that Item No. 27, ships and Meetings and Item No. 29, Agency Supplies will be considered within the Administrative Costs.

Item No. 28, Audit Services for year ending June 30, audit is completed. Vice Chair questioned if this Item would be considered an Administrative Cost as well for Item No. 29 and wants to ensure that they be confirmed to comply with the 5% maximum. Ms. Padilla indicates that Item No. 28 is an Audit. However Item No. 29 is an Administrative Cost. Vice Chair Cervera suggested that the items that are Administrative Costs be compiled together within the new ROPS. Ms. Palacios indicated that the 5% will be reflected in the Administrative Budget.

Mr. Wong, addressed the Oversight Member and suggested if it would be helpful if staff will return at the next meeting and have the Administrative Cost identify with subcategories and similarly with project delivery costs and with subcategories with different projects. Chair Guerrero agreed with the suggestion and suggested to staff to have the narratives coincide with the ROPS.

Member Buendia requested information on what the 5% threshold is. Mr. Wong advised Member Buendia that the funds which includes the 5% have been received

On motion of Member Fontanez, seconded by Member Adame, the ROPS for the period of January 2012 through June 2012 were continued to May 3, 2012 for further review with requested supporting documentation from the City.

**Ayes:** 5 - Member Guerrero, Member Cervera, Member Adame, Member Buendia and Member Fontanez

**Absent:** 2 - Member Rodriguez and Member Verches

**Attachments:** [Recognized Obligation Payment Schedules February 1, 2012 - June 30.](#)

8. Review Recognized Obligation Payment Schedules (ROPS) for the period of July 1, 2012 - December 31, 2012. (12-1801)

Ms. Padilla stated that questions posed and discussed under Agenda Item 7 would apply to this item as well and recommended deferring discussion until the next meeting.

On motion by Member Fontanez, seconded by Member Adame, this item was continued to May 3, 2012 for further review and supporting documentation from the City.

**Attachments:** [Recognized Obligation Payment Schedules July 1, 2012 - December](#)

9. Initiate process for retaining Legal Counsel services. (Continued from the meeting of 4-25-12) (12-1802)

On motion of Member Fontanez, seconded by Member Buendia, this item was continued to May 3, 2012 for the Successor Agency to look into retaining legal counsel for the Member.

**Ayes:** 5 - Member Guerrero, Member Cervera, Member Adame, Member Buendia and Member Fontanez

**Absent:** 2 - Member Rodriguez and Member Verches

**IV. MISCELLANEOUS**

- 10.** Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (12-1803)

**There were none.**

- 11.** Public Comment (12-1804)

**There was no public comment.**

- 12.** Adjournment (12-1805)

**The Member adjourned the meeting at 7:16 p.m.**